

## §74-5064

## §74-5064.1.

This act shall be known and may be cited as the "Inventors Assistance Act".

## §74-5064.2.

The Legislature recognizes the numerous benefits to the state's economic base from the establishment of businesses by inventors and the numerous benefits provided by inventors which include industrial diversification, broadening of the economic base, a great proliferation of jobs, providing financial benefits to our citizens through a greatly expanded tax base and new products and processes for the nation's consumers. It is estimated that ninety-five percent (95%) of all inventions are never authoritatively considered primarily because inventors are unfamiliar with the business environment or financial structure necessary for implementing their proposals.

The Legislature therefore recognizes a need to encourage and assist inventors and, at the same time, to position this state as a leader in advanced and high technology and to foster a climate for those leaders of this state, the nation and the world.

## §74-5064.3.

As used in Section 5064.1 et seq. of this title:

1. "Commercial stage" means the point at which the product has advanced beyond the theoretical and prototype stage and is capable of being manufactured or reduced to practice commercially;
2. "Inventor" means any person who perceives a new concept which may result in a product or patentable process;
3. "Person" means any individual, sole proprietor, partnership or corporation;
4. "Product" means any device, technique or process;
5. "Proposal" means a plan provided by the inventor which includes technical and descriptive information on the concept; and
6. "Royalties" means all things of value received by an inventor in connection with the licensing, rental or sale of a product patented, in patent pending, or trademarked pursuant to federal law.

## §74-5064.4.

A. The Oklahoma Department of Commerce shall establish a program to provide assistance to inventors. On July 1, 1998, all powers, duties, responsibilities, files, and records relating to the inventors assistance program shall be transferred to the Oklahoma Center for the Advancement of Science and Technology (OCAST).

B. The program shall be designed to:

1. Attract inventors from throughout this state, the nation and other countries and encourage them to submit their proposals for review and evaluation;
2. Provide assistance to inventors whose proposals are accepted which shall include patent searches, market analysis, product research and development, assistance in obtaining financing, business counseling, and any other assistance necessary to develop the product to the commercial stage which is not prohibited by the Constitution or laws of this state and further to protect both the state and the inventor, this section would require a provisional patent application or patent application be on file with the U.S. Patent Office before the state will review proposal;
3. Provide assistance and training to inventors to enable the manufacturing, marketing and distribution of their product;

4. Direct inventors to the Inventors Development Society, the Oklahoma Inventors Congress, or other similar organizations for assistance; and

5. Improve the entrepreneurial skills of the state's workforce in order to foster innovation, product development and new high quality jobs.

#### **§74-5064.5.**

The Oklahoma Center for the Advancement of Science and Technology (OCAST) shall have the power to:

1. Enter into contracts on a competitive bid basis with public and private agencies, institutions, organizations and individuals for the purpose of providing assistance to and services for inventors and entrepreneurs as required by Section 5064.1 et seq. of this title;
2. Solicit the support and contributions of public and private agencies, organizations, institutions and individuals;
3. Receive and administer funds for the purpose of operating the inventors and entrepreneurs program;
4. Advertise and promote the inventors and entrepreneurs program;
5. Collect reasonable fees based on actual direct and indirect costs for programmatic services extended to users of the inventors and entrepreneurs program; and
6. Promulgate rules to implement the provisions of Section 5064.1 et seq. of this title.

#### **§74-5064.6.**

A. The Oklahoma Center for the Advancement of Science and Technology (OCAST) shall charge a filing fee of One Hundred Dollars (\$100.00) for each proposal submitted for review and evaluation.

B. After review and evaluation, proposals shall be accepted or rejected for development under the inventors assistance program. OCAST shall not charge for any services to aid in the development of the product. Services may include patent searches, market analysis, product research and development, assistance in obtaining financing, including financing from private sources, and business counseling, if needed. Provided, OCAST shall receive a fee not to exceed an amount equal to ten percent (10%) of all royalties from any product developed under the inventors assistance program for a period of ten (10) years from the first day after royalties are received from the commercial licensing, rental or sale of the product.

C. Before services to aid in the development of the product shall commence, OCAST shall enter into a contract with the inventor which shall include, in addition to any other provisions consistent with the provisions of Section 5064.1 et seq. of this title:

1. The services which OCAST will provide to aid in the development of the product;
2. Any other services which OCAST will assist the inventor in obtaining and for which the inventor shall be liable pursuant to written consent;
3. Authorization for OCAST to receive a fee not to exceed an amount equal to ten percent (10%) of all royalties from the product for a period of ten (10) years; and
4. An agreement from the inventor that all products developed under the program shall be researched, developed, manufactured, packaged and distributed from this state to the extent that it is economically feasible. Provided, the fee not to exceed an amount equal to ten percent (10%) of all royalties from products developed under this program wherever manufactured shall accrue to this state pursuant to the provisions of Section 5064.1 et seq. of this title.

#### **§74-5064.7.**

A. The following incentives shall be available to inventors for products developed and manufactured in this state and to instate manufacturers of said products; provided, to qualify for the incentives, the product shall be patented or have patent pending pursuant to federal law and shall be registered with the

Oklahoma Center for the Advancement of Science and Technology (OCAST):

1. Royalty earned by an inventor from a product developed and manufactured in this state shall be exempt from state income tax for a period of seven (7) years from January 1 of the first year in which such royalty is received as long as the manufacturer remains in the state; and
  2. An instate manufacturer of a product developed in this state by an inventor shall be eligible for a tax credit, as provided for in Section 2357.4 of Title 68 of the Oklahoma Statutes. In addition such manufacturer may exclude from Oklahoma taxable income, or in the case of an individual, the Oklahoma adjusted gross income, sixty-five percent (65%) of the cost of depreciable property purchased and utilized directly in manufacturing the product. The maximum exclusion shall not exceed Five Hundred Thousand Dollars (\$500,000.00). If the exclusion allowed by this paragraph exceeds the Oklahoma taxable income, or in the case of an individual, the Oklahoma adjusted gross income, the amount of the exclusion that is in excess of such income may be carried forward as an exclusion against subsequent Oklahoma taxable income or in the case of an individual, subsequent Oklahoma adjusted gross income, for a period not to exceed four (4) years. For the purposes of this paragraph, "depreciable property" means machinery, fixtures, equipment, buildings, or substantial improvements thereto, placed in service in this state during the taxable year.
- B. The Oklahoma Tax Commission, in conjunction with the Oklahoma Center for the Advancement of Science and Technology, shall promulgate rules to implement the provisions of this section.

#### §74-5064.8.

- A. There is hereby created in the State Treasury a separate revolving fund for the Oklahoma Department of Commerce, to be designated the "Inventors and Entrepreneurs Program Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Department for implementation of this act from all funds appropriated thereto by the Legislature, all fees received pursuant to this act, any federal funds, gifts, private and matching funds and all contributions dedicated thereto from private, state, federal or whatever source. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Department for the purpose of implementing this act; however, monies expended for administrative costs shall not exceed five percent (5%) of the total amount of monies in said fund. Any amount in said fund not directly needed to implement the provisions of this act shall go to the General Revenue Fund of the state. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.
- B. On July 1, 1998, the Inventors and Entrepreneurs Program Fund shall be abolished and any unencumbered funds remaining in the Inventors and Entrepreneurs Program Fund shall be transferred to the credit of the OCAST Research Support Revolving Fund. Any unexpended funds remaining in the Inventors and Entrepreneurs Program Fund after November 1, 1998, shall be transferred to the credit of the OCAST Research Support Revolving Fund.

#### §74-5064.9.

The President of the Oklahoma Center for the Advancement of Science and Technology (OCAST) shall include in OCAST's annual report on program outcomes program information including:

1. The number of seminars and training programs held for inventors and entrepreneurs and the number of persons attending such seminars and programs;
2. The number of inventors and entrepreneurs assisted; and
3. The number of jobs created and preserved as a result of this program.

Source: <http://oklegal.onenet.net/>

For Information on how to take advantage of the Tax Incentive for Inventor's, [click here](#)



[Return to OIC HomePage.](#)



**The Oklahoma Center for the Advancement of Science and Technology is the state's only agency focusing solely on technology - its development, transfer, commercialization and impact on our state's economy.**

**The Oklahoma Institute of Technology is designed to increase the economic well being of rural and urban Oklahoma by building bridges between companies and companies and education.**

**OCAST continues to pursue its legislative mandate to:**

- Support research and development (R&D)
- Facilitate **technology transfer and commercialization**
- Stimulate **seed-capital investment**
- Encourage **manufacturing competitiveness**

**OIT will focus on:**

- Rural and urban development by building bridges between business and education

Consistent with its statutory missions, OCAST/OIT will strategically implement program initiatives such that it impacts the entire "technology development pipeline" from basic research through commercialization and application.

**OCAST and OIT offer services including:**

- Seed funds for human health research
- Matching funds for research with commercial potential
- Assistance with the cost of preparing SBIR proposals
- Modernization assistance for small and medium-sized Oklahoma manufacturers
- Instruction in preparing applications for OCAST peer reviewed funding competitions
- Written expert commentary on all proposals submitted to OCAST funding competitions
- Development of state proposals and management of grants to the state of federal funds supporting manufacturing extension, technology transfer, and commercialization.
- Information on federal research and technology transfer opportunities for businesses
- Assistance for small Oklahoma firms with accessing and using federal and state technology resources

**OCAST currently has funding to operate the following programs:**

- Oklahoma Health Research Program (OHRP)
- Oklahoma Applied Research Support Program (OARS)
- Small Business Research Assistance (SBRA - SBIR/STTR)
- OARS R&D Faculty and Student Intern Partnerships (FSIP)
- Oklahoma Alliance for Manufacturing Excellence, Inc. (OAME)
- Oklahoma Technology Commercialization Center (OTCC)
- OCAST Technology Business Finance Program (OTBF)
- Oklahoma Inventors Assistance Service (OAIS)

**Oklahoma Center for the Advancement of Science & Technology**



4545 N. Lincoln Blvd., Ste. 116  
Oklahoma City, Oklahoma 73105-3413  
e-mail: [info@ocast.state.ok.us](mailto:info@ocast.state.ok.us)  
12/27/02 | [Privacy Policy](#) | [Sitemap](#) | 46913

ph. (405) 524-1357 | toll free: 1 (866) 265-2215 | fax (405) 521-6501

